

BANK INDONESIA REGULATION
NUMBER: 7/19/PBI/2005
CONCERNING
ISSUANCE, SALE AND PURCHASE, AND ADMINISTRATION OF
GOVERNMENT SECURITIES

THE GOVERNOR OF BANK INDONESIA,

- Considering :
- a. whereas Bank Indonesia is appointed by the Government as agent for holding auctions of Government Securities on the primary market pursuant to Decree of the Minister of Finance Number 66/KMK.01/2003 dated February 10, 2003;
 - b. whereas the provisions for holding auctions of Government Securities on the primary market have been amended by the Government in Decree of the Minister of Finance Number 45/PMK.06/2005 dated June 14, 2005, concerning Auction of Government Securities on the Primary Market;
 - c. now therefore based on the foregoing, it is deemed necessary to enact new provisions concerning the Issuance, Sale and Purchase, and Administration of Government Securities in a Bank Indonesia Regulation;

- In view of :
- 1. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette Number 3472), as amended by Act Number 10 of 1998 (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement to the State Gazette of the Republic of Indonesia Number 3790);

2. Act Number 8 of 1995 concerning the Capital Market (State Gazette of the Republic of Indonesia Number 64 of 1995, Supplement to the State Gazette of the Republic of Indonesia Number 3608);
3. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette Number 3843) as amended by Act Number 3 of 2004 (State Gazette of the Republic of Indonesia Number 7 of 2004, Supplement to the State Gazette of the Republic of Indonesia Number 4357);
4. Act Number 24 of 2002 concerning Government Securities (State Gazette of the Republic of Indonesia Number 110 of 2002, Supplement to the State Gazette Number 4236);

HAS DECREED:

To enact : THE BANK INDONESIA REGULATION CONCERNING
ISSUANCE, SALE AND PURCHASE, AND ADMINISTRATION
OF GOVERNMENT SECURITIES.

CHAPTER I
GENERAL PROVISIONS

Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. “Bank” is a Commercial Bank as defined in Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998, conducting conventional business.

2. “Government ...

2. “Government Securities” are securities in the form of debt instruments as referred to in Act Number 24 of 2002 concerning Government Securities, consisting of Treasury Bills and Government Bonds.
3. “Treasury Bills” are Government Securities with maturity of up to 12 (twelve) months, bearing interest paid on a discount basis.
4. “Government Bonds” are Government Securities with maturity of more than 12 (twelve) month, bearing coupons or interest paid on a discount basis.
5. “Primary Market” is the activity of the offer and sale of Government Securities for the first time.
6. “Secondary Market” is the activity of trading in Government Securities previously sold on the Primary Market.
7. “Bidders” are parties approved by the Minister of Finance of the Republic of Indonesia for bidding in auctions of Government Securities.
8. “Yield to Maturity” or Yield is the return expected by investors, stated as an annual percentage.
9. “Competitive Bidding” is the submission of bids stating the volume and yield desired by the bidder.
10. “Non-Competitive Bidding” is the submission of bids stating volume without the yield desired by the bidder.
11. “Auction of Government Securities” is the sale of Government Securities with participation from Bidders and Bank Indonesia or participation only from Bidders, conducted by submission of Competitive Bids and/or Non-Competitive Bids within a specified bidding period announced in advance.
12. “Central Registry” is Bank Indonesia, which performs the function of administration of securities, including Government Securities, for the account of Banks, Sub-Registries, and other parties approved by Bank Indonesia.

13. “Sub-Registry” is a Bank and institution conducting operations as custodian, approved by Bank Indonesia to perform the function of administration of securities, including Government Securities, for the account of customers.
14. “Delivery Versus Payment,” hereinafter referred to as DVP, is settlement of transactions in Government Securities by means of securities settlement through the Bank Indonesia – Scripless Securities Settlement System (BI-SSSS) conducted simultaneously with fund settlement at Bank Indonesia through the Bank Indonesia – Real Time Gross Settlement (BI-RTGS) System.
15. “Free of Payment,” hereinafter referred to as FoP, is settlement of Government Securities transactions in which securities settlement is conducted through the Bank Indonesia – Scripless Securities Settlement System (BI-SSSS) while fund settlement is conducted not simultaneously with securities settlement or without fund settlement.

CHAPTER II
FUNCTIONS OF BANK INDONESIA
IN THE ISSUANCE, SALE AND PURCHASE, AND ADMINISTRATION OF
GOVERNMENT SECURITIES

Article 2

To assist the Government in the management of Government Securities, Bank Indonesia shall perform the following:

- a. provide input for the formulation of regulatory provisions and requirements for issuance of Government Securities;
- b. act as auction agent in the sale of Government Securities on the Primary Market, including but not limited to the selection and recommendation of candidate Bidders to the Ministry of Finance of the Republic of Indonesia, evaluation of the

active status of Bidders, announcement of Bidders approved by and/or whose approval is revoked by the Minister of Finance of the Republic of Indonesia, announcement of planned Auctions of Government Securities, holding of Auctions of Government Securities, and announcement of decision concerning the result of the Government Securities auction;

- c. may act as agent in the sale and purchase of Government Securities on the Secondary Market for the account of the Government and by request of the Minister of Finance of the Republic of Indonesia;
- d. conduct administration of Government Securities, including registration, clearing and settlement, and as payment agent for interest (coupons) and redemption of Government Securities.

CHAPTER III CHARACTERISTICS OF GOVERNMENT SECURITIES

Article 3

The following are the characteristics of Government Securities administered by Bank Indonesia:

- a. Treasury Bills:
 - 1. issued as notes or in scripless form;
 - 2. issued as negotiable instruments or as instruments not negotiable on the Secondary Market;
 - 3. issued with maturity of up to 12 (twelve) months, with interest payment under the discount system;
- b. Government Bonds:
 - 1. issued as notes or in scripless form;

2. issued ...

2. issued as negotiable instruments or as instruments not negotiable on the Secondary Market;
3. issued with a maturity of more than 12 (twelve) months with variable rate, fixed rate, and/or interest payment under the discount system.

CHAPTER IV

REQUIREMENTS AND OBLIGATIONS FOR BIDDERS IN PRIMARY MARKET AUCTIONS OF GOVERNMENT SECURITIES

Article 4

- (1) Parties eligible as Bidders are Banks, Rupiah and Forex Money Market Brokerage Companies, and Securities Companies meeting the criteria and requirements stipulated by the Minister of Finance of the Republic of Indonesia.
- (2) The Minister of Finance of the Republic of Indonesia stipulates the criteria and requirements for candidate Bidders as follows:
 - a. Banks
 1. hold a valid license from Bank Indonesia to operate as a Bank;
 2. comply with the Minimum Capital Adequacy Requirement (CAR) based on the Bank Indonesia Regulatory Provisions; and
 3. member of the Bank Indonesia – Scripless Securities Settlement System (BI-SSSS).
 - b. Rupiah and Forex Money Market Brokerage Companies
 1. hold a valid license from Bank Indonesia to operate as Rupiah and Forex Money Market Brokerage Company;
 2. have at least 2 (two) Money Market experts;
 3. active on the Money Market and/or in trading of Bank Indonesia Certificates (SBIs), as reflected in cumulative bidding activity in Primary

Market auctions for 1 (one) month SBIs equal to a minimum of 1% (one percent) of total issues in the last 3 (three) months; and

4. member of the Bank Indonesia – Scripless Securities Settlement System (BI-SSSS).

c. Securities Companies

1. hold a valid license issued by the Capital Market Supervisory Agency (Bapepam) to operate as Securities Company conducting business as Underwriter and/or Securities Dealer-Broker administering securities accounts of customers;
2. possess at least 3 (three) years of experience in Capital Market transactions; and
3. member of the Bank Indonesia – Scripless Securities Settlement System (BI-SSSS).

Article 5

- (1) Bank Indonesia in its capacity as auction agent shall select and recommend candidate Bidders for the Minister of Finance, based on the criteria and requirements referred to in Article 4 paragraph (2).
- (2) In conducting the selection of Securities Companies as candidate Bidders, Bank Indonesia may coordinate arrangements with Bapepam to obtain necessary relevant information.
- (3) The Minister of Finance of the Republic of Indonesia shall approve or reject a Bidder based on the outcome of selection and recommendations for candidate Bidders made by Bank Indonesia as referred to in paragraph (1).
- (4) Bank Indonesia shall announce the Bidders approved by the Minister of Finance of the Republic of Indonesia as referred to in paragraph (3).

Article 6

Approved Bidders shall maintain their compliance with the criteria and requirements referred to in Article 4 paragraph (2) for as long as they are Bidders.

Article 7

- (1) Bank Indonesia shall periodically evaluate the active status of Bidders on the basis of the following requirements:
 - a. Bidders shall have placed bids no less than 4 (four) times during the last 12 (twelve) Auctions of Government Securities; or
 - b. Bidders shall place bids at least 1 (one) time during 4 (four) consecutive Auctions of Government Securities.
- (2) If a Bidder is a Rupiah and Forex Money Market Brokerage Company, the active status of the Bidder as referred to in paragraph (1) shall be assessed only for Auctions of Treasury Bills.
- (3) Bank Indonesia shall inform the Minister of Finance of the Republic of Indonesia of the evaluation of active status for Bidders not meeting the requirements referred to in paragraph (1).

Article 8

- (1) Winning Bidders in an Auction of Government Securities are required to guarantee sufficient funds at the appointed paying Bank until the deadline for settlement conducted by Bank Indonesia.
- (2) If a Bidder as referred to in paragraph (1) fails to meet this obligation by the settlement deadline as a result of insufficient balance held by the Bank conducting payment settlement in the Rupiah demand deposit account of the Bank at Bank

Indonesia, the entire result of the Auction of Government Securities for which settlement is conducted through that Bank shall be declared canceled.

CHAPTER V

PURCHASE OF GOVERNMENT SECURITIES ON THE PRIMARY MARKET

Article 9

- (1) Any natural person, company, business partnership, association, or organized group may purchase Government Securities on the Primary Market.
- (2) Purchase of Government Securities on the Primary Market as referred to in paragraph (1) shall take place by the placement of bids with Bank Indonesia as auction agent through Bidders consisting of Banks, Rupiah and Forex Money Market Brokerage Companies, and Securities Companies.
- (3) During an Auction of Government Securities on the Primary Market, Banks and Securities Companies may place bids for their own account and for the account of other parties, while Rupiah and Forex Money Market Brokerage Companies may only place bids for the account of other parties.
- (4) Rupiah and Forex Money Market Brokerage Companies may engage in purchase of Government Securities only in the case of Treasury Bills.

Article 10

- (1) Bank Indonesia may engage in purchase of Government Securities on the Primary Market only in respect of Treasury Bills.
- (2) Purchase of Treasury Bills by Bank Indonesia on the Primary Market shall comply with the following requirements:
 - a. Bids shall be placed directly, not through a Bidder;
 - b. Bids shall be Non-Competitive.

CHAPTER VI
AUCTION OF GOVERNMENT SECURITIES ON THE PRIMARY MARKET

Article 11

In the operation of the Auction of Government Securities on the Primary Market, the Minister of Finance of the Republic of Indonesia shall decide and convey notification regarding the following to Bank Indonesia as auction agent:

- a. The Government Securities Auction Plan, including date and time of the Auction of Government Securities, type and maturity of the Government Securities, indicative target for the offered Government Securities, date of issue, settlement date, maturity date, currency, timing of announcement of the result of the Government Securities auction, and percentage allocation of Non-Competitive Bids for the Government Securities to be offered;
- b. Decision concerning the result of the Government Securities auction, including the overall quantity of the Auction of Government Securities, names of winning bidders, par value, and discount or Yield;
- c. Rejection, whether in all or in part, of incoming bids for Government Securities during the Auction of Government Securities.

Article 12

- (1) Bids in a Primary Market Auction of Government Securities may be placed by means of Competitive Bidding or by means of a combination of Competitive Bidding and Non-Competitive Bidding.
- (2) If a Bidder places a bid for Government Securities, whether directly or through another Bidder for its own account, the bid may be placed only by means of Competitive Bidding.

(3) If ...

- (3) If a Bidder places a bid for Treasury Bills for the account of another party, the bid may be placed only by means of Competitive Bidding.
- (4) If a Bidder places a bid for Government Bonds for the account of another party, the bid may be placed by means of Competitive Bidding and/or Non-Competitive Bidding.

Article 13

- (1) Bank Indonesia shall hold Primary Market Auctions of Government Securities according to the needs of the Government and at the request of the Minister of Finance of the Republic of Indonesia.
- (2) Bank Indonesia shall announce the plan for Primary Market Auctions of Government Securities on the basis of the decision and notification issued by the Minister of Finance of the Republic of Indonesia as referred to in Article 11 letter a.

Article 14

- (1) The price of Government Securities for winning bids in Auctions of Government Securities held by Competitive Bidding shall be determined by the multiple price method.
- (2) The price of Government Securities for winning bids in Auctions of Government Securities held by Non-Competitive Bidding shall be determined on the basis of the weighted average price in the result of the Auction of Government Securities held by Competitive Bidding.
- (3) Bank Indonesia shall announce the result of a Primary Market Auction of Government Securities to Bidders based on the decision and notification of the

Minister of Finance of the Republic of Indonesia as referred to in Article 11 letter b.

- (4) Bank Indonesia shall announce the overall result of a Primary Market Auction of Government Securities to Bidders and the public on the day of the Auction of Government Securities in regard to at least the overall quantity of the auction, the weighted average discount rate or yield, and lowest and highest discount or yield.

Article 15

Bank Indonesia shall announce rejection of bids for Government Securities in all or in part based on the decision and notification of the Minister of Finance of the Republic of Indonesia as referred to in Article 11 letter c.

CHAPTER VII

SALE AND PURCHASE OF GOVERNMENT SECURITIES

ON THE SECONDARY MARKET

Article 16

- (1) The Minister of Finance of the Republic of Indonesia may appoint Bank Indonesia as agent for sale and purchase of Government Securities on the Secondary Market.
- (2) If Bank Indonesia is appointed as agent as referred to in paragraph (1), Bank Indonesia shall conduct the sale and purchase of Government Securities on the Secondary Market at the request of the Minister of Finance of the Republic of Indonesia.

CHAPTER VIII
ADMINISTRATION OF GOVERNMENT SECURITIES

Article 17

- (1) Bank Indonesia shall administer Government Securities electronically by means of the Bank Indonesia-Scripless Securities Settlement System (BI-SSSS) as stipulated in the applicable Bank Indonesia regulatory provisions.
- (2) Administration of Government Securities as referred to in paragraph (1) shall encompass registration, clearing, and settlement of transactions on both the Primary Market and the Secondary Market, payment of interest (coupons), and redemption of Government Securities at maturity.

CHAPTER IX
REGISTRATION OF GOVERNMENT SECURITIES

Article 18

- (1) Registration of Government Securities shall be conducted in scripless form and by means of book entry.
- (2) Registration of Government Securities shall be conducted in a two-tier system consisting of:
 - a. the Central Registry, which conducts registration and change of ownership of Securities, including Government Securities, for the account of Banks, Sub-Registries, and other parties approved by Bank Indonesia; and
 - b. Sub-Registries, which conduct registration and change of ownership of Securities, including Government Securities, for the account of customers.
- (3) The ownership records for Government Securities in the Central Registry and Sub-Registries shall constitute legal proof of ownership.

CHAPTER X

SETTLEMENT OF GOVERNMENT SECURITIES TRANSACTIONS

Article 19

- (1) Settlement of Government Securities transactions on the Primary Market shall be conducted as follows:
 - a. Treasury Bills at 1 (one) working day after the day of the Treasury Bills auction (T+1);
 - b. Government Bonds at no later than 5 (five) working days after announcement of the winning bids in the Government Bonds auction (T+5).
- (2) Settlement of Government Securities transactions, whether on the Primary Market or on the Secondary Market, shall be conducted on the basis of DVP or FoP.
- (3) DVP settlement of Government Securities transactions shall be conducted on the basis of the system for gross to gross settlement or a combination of gross to gross settlement and gross to net settlement.

Article 20

For the purpose of settlement of Government Securities on the Primary Market and on the Secondary Market, Bank Indonesia is vested with powers to:

- a. debit the Rupiah demand deposit account of the Bank at Bank Indonesia, whether the Bank is purchasing for its own account or for the account of another party; or
- b. debit the securities account of an account holder at the Central Registry who is purchasing Government Securities, whether for own account or for the account of another party;
- c. debit the Government Securities account held by the Government or the Rupiah demand deposit account of the Government at Bank Indonesia for settlement of Government Securities transactions.

CHAPTER XI
INTEREST (COUPON) PAYMENT AND REDEMPTION
OF GOVERNMENT SECURITIES AT MATURITY

Article 21

- (1) Bank Indonesia shall execute payment of interest (coupons) and redemption of Government Securities at par value at maturity date at the expense of the Government.
- (2) At the request of the Government, Bank Indonesia shall redeem Government Securities prior to the maturity date at Government expense.
- (3) Redemption and interest (coupon) payment for Government Securities shall be executed by Bank Indonesia on the basis of the Government Securities ownership position recorded in the Central Registry.

CHAPTER XII
ADMINISTRATION FEES

Article 22

Bank Indonesia may charge administration fees to Bidders for holding Auctions of Government Securities and charge Government Securities administration fees to holders of Government Securities accounts at the Central Registry.

CHAPTER XIII
REPORTING

Article 23

Bank Indonesia shall report its activities in the administration of Government Securities to the Minister of Finance of the Republic of Indonesia on a periodic basis.

CHAPTER XIV

SANCTIONS

Article 24

Any Bidder whose transaction is canceled as referred to in Article 8 paragraph (2) may not participate in Auctions of Government Securities for 3 (three) consecutive times after the transaction is declared canceled.

Article 25

- (1) The Minister of Finance of the Republic of Indonesia has the power to revoke approval for a Bidder under the following circumstances:
 - a. the Bidder fails to meet the obligation for fulfillment of criteria and requirements as Bidder as referred to in Article 6; and/or
 - b. the Bidder fails to meet the requirement for active participation as referred to in Article 7 paragraph (1); and/or
 - c. the Bidder is undergoing bankruptcy proceedings in court.
- (2) Any Bidder whose approval as Bidder is revoked by reason of conditions as referred to in paragraph (1) letter a and/or letter b may apply for reinstatement as Bidder after 12 (twelve) months after the date of revocation.
- (3) Bank Indonesia shall announce Bidders whose appointment is revoked by the Minister of Finance of the Republic of Indonesia as referred to in paragraph (1).

CHAPTER XV
MISCELLANEOUS PROVISIONS

Article 26

The implementation of Government Securities administration, encompassing the activities of registration of Government Securities, settlement of Government Securities transactions, and payment of interest and redemption of matured Government Securities, shall be subject to the applicable Bank Indonesia regulatory provisions concerning the Bank Indonesia - Scripless Securities Settlement System.

CHAPTER XVI
TRANSITIONAL PROVISIONS

Article 27

In the case of Bidders approved as Bidders by the Minister of Finance of the Republic of Indonesia prior to the promulgation of these provisions, the approval shall remain valid.

Article 28

If at the date of promulgation of this Bank Indonesia Regulation, a Bidder in Auctions of Government Securities is barred from bidding in the Auction of Government Securities for 3 (three) consecutive times pursuant to Bank Indonesia Regulation Number 6/3/PBI/2004 dated February 16, 2004, concerning Issuance, Sale and Purchase, and Administration of Government Securities, these sanctions shall remain in effect.

CHAPTER XVII
CONCLUDING PROVISIONS

Article 29

- (1) Evaluation of the active status of Bidders shall commence after the date of enactment of Regulation of the Minister of Finance No. 45/PMK.06/2005 dated June 14, 2005.
- (2) Evaluation of the active status of Rupiah and Forex Money Market Brokerage Companies shall commence with the first holding of an auction of Treasury Bills.
- (3) Evaluation of the active status of a Bidder newly approved by the Minister of Finance of the Republic of Indonesia shall commence from the date of the active status of the party as member of the Bank Indonesia – Scripless Securities Settlement System (BI-SSSS).

Article 30

Further provisions for this Bank Indonesia Regulation shall be stipulated in a Circular Letter of Bank Indonesia.

Article 31

With the issuance of this Bank Indonesia Regulation, Bank Indonesia Regulation Number 6/3/PBI/2004 dated February 16, 2004, concerning Issuance, Sale and Purchase, and Administration of Government Securities is revoked and declared no longer valid.

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Article 32

This Bank Indonesia Regulation shall come into force on the date of its enactment.

Enacted in Jakarta

Dated July 25, 2005

THE GOVERNOR OF BANK INDONESIA

BURHANUDDIN ABDULLAH

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 66 OF 2005

DPM

ELUCIDATION
TO
BANK INDONESIA REGULATION
NUMBER: 7/19/ PBI /2005
CONCERNING
ISSUANCE, SALE AND PURCHASE, AND ADMINISTRATION OF
GOVERNMENT SECURITIES

GENERAL REVIEW

In order to finance the deficit in the National Budget, cover short-term cash flow deficits arising from mismatch between cash flow receipts and expenditures in the State Treasury Account during a fiscal year, and to manage the state debt portfolio, the Government issues Government Securities within Indonesia.

In regard to the issuance of Government Securities as referred to above, the Government pursuant to Act Number 24 of 2002 concerning Government Securities has appointed Bank Indonesia as auction agent entitled to conduct sales of Government Securities on the Primary Market (Article 13), conduct the sale and purchase of Government Securities on the Secondary Market in the name of the Government for management of the state debt portfolio (Article 14), conduct the administration of Government Securities, which consists of registration of issuance and ownership, clearing, and settlement on both the Primary Market and Secondary Market, and act as payment agent for payment of interest (coupons) and redemption of Government Securities (Article 12).

In accordance with Act of the Republic of Indonesia Number 23 of 1999 concerning Bank Indonesia as amended by Act Number 3 of 2004 concerning Amendment to Act of the Republic of Indonesia Number 23 of 1999 concerning Bank

Indonesia, Bank Indonesia may purchase short-term Government Securities for the purpose of monetary control and to enhance the selection of the instruments used in Open Market Operations (Article 55).

With regard to efficiency and effectiveness of tasks performed by Bank Indonesia pertaining to the sale of Government Securities on the primary market, sale and purchase for Government Securities on the secondary market, and Administration of Government Securities, Bank Indonesia has adopted the Bank Indonesia-Scripless Securities Settlement System as stipulated in Bank Indonesia Regulation number 6/2/PBI/2004 dated February 16, 2004, concerning the Bank Indonesia-Scripless Securities Settlement System.

ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Letter a

The intention of this input is to ensure consistency of fiscal policy, including debt management, with the monetary policy implemented by Bank Indonesia.

Letter b

Self-explanatory

Letter c

Sale and purchase on the Secondary Market shall operate according to the mechanism stipulated by the Minister of Finance of the Republic of Indonesia.

Letter d ...

Letter d

Self-explanatory

Article 3

Letter a

Self-explanatory

Letter b

Item 1.

Self-explanatory

Item 2.

Self-explanatory

Item 3.

Government Bonds issued without coupons and traded under the discount system are referred to as zero coupon bonds.

Article 4

Paragraph (1)

“Rupiah and Forex Money Market Brokerage Company” is defined as a company licensed by Bank Indonesia to conduct brokerage services for the account of customers on the money market.

“Securities Company” is defined as a Securities Company conducting business as Underwriter and/or Securities Broker-Dealer and managing securities accounts for customers.

Paragraph (2)

Self-explanatory

Article 5

Paragraph (1)

Self-explanatory

Paragraph (2) ...

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 6

Self-explanatory

Article 7

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 8

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Article 9

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory ...

Self-explanatory

Paragraph (4)

Self-explanatory

Article 10

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Article 11

Self-explanatory

Article 12

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 13

Paragraph (1)

Needs of the Government as referred to in this paragraph shall be set out in a calendar of issuance released by the Minister of Finance of the Republic of Indonesia.

“Calendar of issuance” is defined as a plan for issuance of Government Securities by the Government during a specified period.

Paragraph (2) ...

Paragraph (2)

The plan for Auction of Government Securities shall be announced by means of the Bank Indonesia-Scripless Securities Settlement System, Money Market Information Center (PIPU), and/or other facility as determined by Bank Indonesia.

Article 14

Paragraph (1)

“Multiple price” is defined as prices paid individually by winning bidders in an Auction of Government Securities according to their bidded prices.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 15

Self-explanatory

Article 16

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Article 17

Paragraph (1)

“Bank Indonesia-Scripless Securities Settlement System” is defined as the facility for conducting Transactions with Bank Indonesia, including the administration...

administration of these transactions and Securities Administration, by electronic means with seamless connection between the Members of the Bank Indonesia-Scripless Securities Settlement System, the Operator of the Bank Indonesia-Scripless Securities Settlement System, and the Bank Indonesia Real Time Gross Settlement System.

“Transactions with Bank Indonesia” are defined as transactions conducted by Bank Indonesia as part of Open Market Operations, provision of Bank Indonesia funding facilities to Banks, and transactions in Government Securities for and on behalf of the Government.

“Members of the Bank Indonesia-Scripless Securities Settlement System” are defined as the Ministry of Finance and parties conducting Transactions with Bank Indonesia and/or settlement of Securities through the Bank Indonesia-Scripless Securities Settlement System.

“Operator” is defined as the party managing the Bank Indonesia-Scripless Securities Settlement System for conducting Transactions with Bank Indonesia and the administration of these transactions, including Administration of Securities.

Paragraph (2)

“Settlement for Government Securities transactions” is defined as settlement consisting of securities settlement and/or funds settlement.

Article 18

Paragraph (1)

“Book entry” is defined as the scripless registration and transfer of ownership in an electronic journal.

Paragraph (2)

Self-explanatory

Paragraph (3) ...

Paragraph (3)

Self-explanatory

Article 19

Paragraph (1)

Self-explanatory

Paragraph (2)

FoP settlement of Securities on the Primary Market and on the Secondary Market may take place only for ownership transfer of Government Securities as part of an endowment, inheritance, settlement of obligations owed by and to Bank Indonesia or the Government, and/or other purpose.

Paragraph (3)

“Gross to gross settlement” is defined as settlement of Government Securities in which securities settlement and funds settlement are conducted on a trade by trade basis.

“Gross to net settlement” is defined as settlement of Government Securities in which securities settlement is conducted on a trade by trade basis while funds settlement is conducted by means of a netting system.

Article 20

Self-explanatory

Article 21 ...

Article 21

Paragraph (1)

Bank Indonesia shall only execute payment of interest (coupons) and redemption of Government Securities subject to availability of sufficient funds in the Rupiah demand deposit account of the Government at Bank Indonesia.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 22

Self-explanatory

Article 23

The scope of reporting includes but is not limited to the position of issued Government Securities, ownership position of Government Securities, payout of coupons or discount, and transaction data in trading of Government Securities.

Article 24

Self-explanatory

Article 25

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 26

Self-explanatory

Article 27

Self-explanatory

Article 28

Self-explanatory

Article 29

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 30

The key provisions stipulated in the Circular Letter of Bank Indonesia shall state among others, the procedure for Auction of Government Securities on the Primary Market, approval and revocation of approval for Bidders, and requirements for Sub-Registries in the administration of Government Securities.

Article 31

Self-explanatory

Article 32

Self-explanatory